



CIBCR

SERVICE SECTOR INDICATORS

Center for International Business Cycle Research
Columbia University Business School, New York, New York 10027 (212) 280-2916

Dr. Geoffrey H. Moore, Director

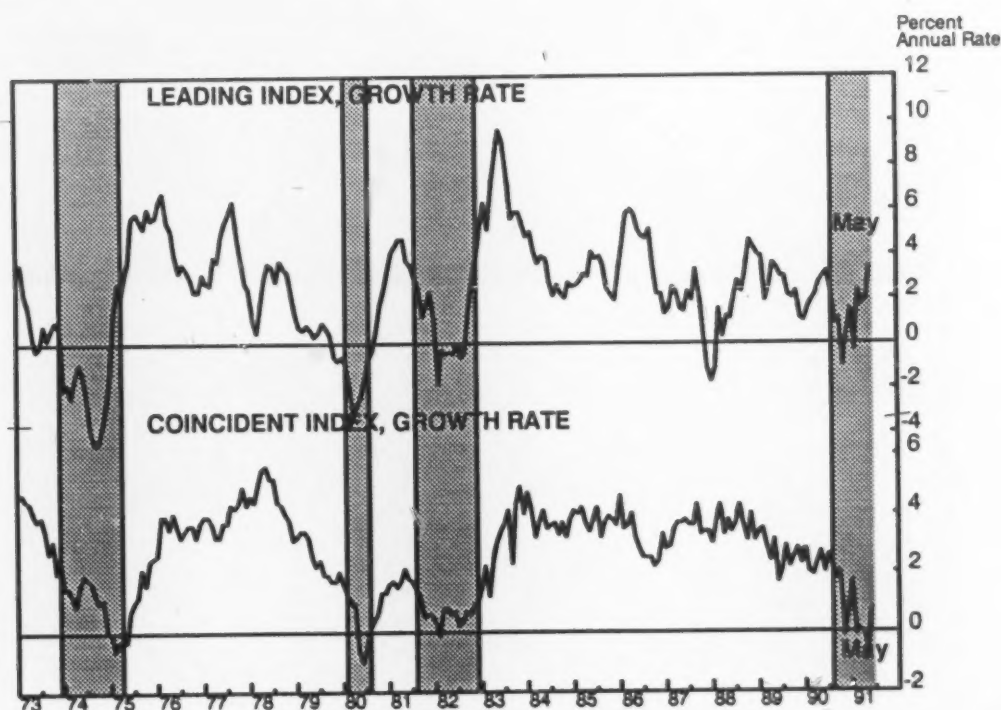
June 1991

SERVICES INDEXES POST SOLID ADVANCES

The leading index of service sector activity, compiled by the Columbia Business School's Center for International Business Cycle Research (CIBCR), rose from a revised 167.5 in April to 169.0 in May, raising its annualized growth rate from a revised 1.9% in April to 3.4% in May. The rise was caused by an increase in the average workweek in services, partly offset by relatively small declines in construction contracts for commercial buildings and stock prices in services.

CIBCR's coincident index of service sector activity also rose, from a revised 191.5 in April to 193.0 in May, carrying its smoothed annualized growth rate from a revised -0.6% in April to 0.8% in May. The rise was caused by increases in all available components of the index -- personal consumption expenditures, labor income, and employee hours in services.

This shows that service sector activity has bottomed out, and is now poised for healthy growth.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index* (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Profit Margins, Services, (cents per dollar)
	1.	2.	3.	4.	5.	6.
1990:						
Jan.	163.6	1.5	32.61	826r	116.5	4.36
Feb.	164.1	1.9r	32.72r	747r	112.1	4.44
Mar.	164.6r	2.1r	32.70r	720r	114.6	4.49
Apr.	165.5r	2.7	32.77r	738	113.8	4.54
May	166.0r	3.0r	32.70r	733r	117.3	4.59
June	166.5r	3.2r	32.74r	671r	121.2	4.57
July	166.1r	2.3r	32.73r	583r	118.5	4.54
Aug.	165.1	0.9r	32.65r	597r	106.0	4.51
Sept.	165.5r	1.1r	32.86r	595	100.1	4.45
Oct.	163.8r	-1.0r	32.44r	587r	98.0	4.39
Nov.	165.1	0.4r	32.64r	597r	102.0	4.33
Dec.	166.2r	1.5r	32.84r	466	107.8	4.35r
1991:						
Jan.	164.9r	-0.3r	32.38r	499	106.2	4.38r
Feb.	167.4r	2.4r	32.60r	526r	118.4	4.40r
Mar.	167.1r	1.7r	32.56r	437r	120.4	n.a.
Apr.	167.5r	1.9r	32.35r	545	124.1	n.a.
May	169.0	3.4	32.67	488	122.5	n.a.

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index* (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982\$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982\$, ann. rate)	Services Labor Income (bil. 1982-84\$, ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1990:						
Jan.	190.1r	2.0r	1942.4	1318.8	693.4r	114.6
Feb.	190.3r	1.9r	1943.7	1323.2	694.4r	114.6
Mar.	191.0r	2.3r	1946.6	1330.5	698.0r	114.9
Apr.	191.8r	2.7r	1949.6	1336.9	702.1r	115.5
May	191.5r	2.0r	1952.5	1336.6	700.8r	115.0
June	192.5r	2.6r	1957.4	1349.1	702.4r	115.8
July	192.5r	2.2	1962.4	1347.7	701.7r	115.6
Aug.	192.4r	1.8r	1967.3	1351.5	699.7r	115.2
Sept.	193.0r	2.0r	1971.8	1353.2	700.5r	116.3
Oct.	191.1r	-0.1r	1976.2	1351.3	683.7r	114.4
Nov.	192.0r	0.6r	1980.7	1353.1	690.3r	115.2
Dec.	193.3r	1.7r	1984.8r	1365.8	696.1r	116.0
1991:						
Jan.	191.7r	-0.1r	1988.9r	1360.8r	685.1r	114.4
Feb.	192.0r	0.1r	1993.0r	1361.1r	684.8r	114.9
Mar.	192.1r	0.0r	n.a.	1369.3r	688.7r	113.7r
Apr.	191.5r	-0.6r	n.a.	1374.5r	685.0r	112.9r
May	193.0	0.8	n.a.	1382.8	690.9	113.9

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.

r = revised.

Cols. 1,2,3 and 4 are revised because of revisions in Average Workweek and in Construction Contracts.

Cols. 7,8 and 11 are revised because of revisions in Labor Income.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.

4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adjusted by CIBCR.

5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.

6. This quarterly series is (1) corporate profits with inventory valuation and without capital consumption adjustments for transportation and public utilities, wholesale and retail trade, finance, insurance and real estate, and services, divided by (2) gross national product for services, both in current dollars as compiled by the Department of Commerce. Quarterly data are interpolated by CIBCR.

9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.

11. Bureau of Labor Statistics. Payroll index, 1977 = 100, converted to 1982-84 dollars by CIBCR, using CPI, All Urban Consumers, seasonally adjusted.

12. Bureau of Labor Statistics, all employees.